

UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA

CR 11

190 ML

: Plaintiff,

: CRIMINAL NO.

v.

: 18 U.S.C. § 1343;

FILED

: 26 U.S.C. § 7206(1)

KENNETH AURECCHIA

**U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND**

: Defendant.

:

INFORMATION

The United States Attorney charges:

COUNT ONE

(18 U.S.C. 1343)

(Wire Fraud)

At all times material to this Information:

A. Labor Organizations

1. The United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada ("United Association") was an international union composed of affiliated local unions, including Local 51, and was headquartered in Annapolis, Maryland.

2. Since on or about January 1, 2004, Defendant KENNETH AURECCHIA has held the position of regional Vice President of District 1 of the United Association.

3. Local 51 of the United Association ("Local 51") was a labor organization based in East Providence, Rhode Island. Local 51 was required to be governed in accordance with its

constitution and by-laws.

4. Local 51 represented its members in collective bargaining with employers in the heating, ventilation, air conditioning, and process piping industries. Pursuant to that representation, Local 51 has executed collective bargaining agreements with several employers with respect to wages, hours, and other terms and conditions of employment.

5. From in or about 2001 to in or about August 2008, Defendant KENNETH AURECCHIA was employed by Local 51 as Business Manager.

6. The Committee on Political Education of Local 51 ("Local 51 COPE") was a committee within Local 51 funded through voluntary deductions from Local 51 union members to educate elected officials about matters of importance to Local 51.

7. From in or about 2001 to in or about August 2008, Defendant KENNETH AURECCHIA was a member of Local 51 COPE.

8. The New England States Pipe Trades Association of the United Association ("the New England Pipe Trades Association") was a labor organization consisting of all local unions and District councils holding a charter from the United Association in the States of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. The New England States

Pipe Trades Association was required to be governed in accordance with its constitution and by-laws.

9. From in or about 2000 to in or about August 2008, Defendant KENNETH AURECCHIA was employed by the New England States Pipe Trades Association as Secretary Treasurer.

B. Employer Organizations

10. The New England Mechanical Contractors Association ("NEMCA") was an association of contractors in the commercial and industrial heating, ventilation, air conditioning, and process piping industry in Massachusetts, Maine and Rhode Island. NEMCA provided its member-contractors with workshops, seminars, conferences, government relations, and marketing campaigns, and represented them in collective bargaining with Local 51.

C. Jointly-Administered Funds

11. The Plumbers and Pipefitters Local 51 Joint Apprenticeship Committee Trust Fund ("Local 51 JATC") was an employee welfare benefit plan established by a trust agreement between Local 51 and NEMCA. The Local 51 JATC provided training and apprenticeship benefits to its participants, pursuant to the terms of its trust agreement.

12. From in or about 2001 to in or about August 2008, Defendant KENNETH AURECCHIA held the position of Co-Chairman of the Local 51 JATC.

13. The Plumbers and Pipefitters Local 51 Pension Fund ("Local 51 Pension Fund") was an employee pension benefit plan established by a trust agreement between Local 51 and NEMCA. The Local 51 Pension Fund provided retirement benefits to its participants, pursuant to the terms of its trust agreement.

14. From in or about 2001 to in or about August 2008, Defendant KENNETH AURECCHIA held the position of Co-Chairman of the Local 51 Pension Fund.

15. The Labor Management Cooperative Trust Fund ("the LMCT") was a jointly-managed fund established by a trust agreement executed between NEMCA and Local 51. The LMCT was administered by the business manager of Local 51 and an official appointed by NEMCA, and funded various labor-management and charitable initiatives pursuant to the terms of its trust agreement.

16. From in or about 2001 to in or about 2008, Defendant KENNETH AURECCHIA held the position of Co-Chairman of the LMCT.

The Scheme and Artifice To Defraud

17. Beginning in or about February 2004, and continuing through in or about March 2008, in the District of Rhode Island, and elsewhere, Defendant KENNETH AURECCHIA, knowingly devised and intended to devise a scheme and artifice for obtaining money and property from the New England States Pipe Trades Association of the United Association; Local 51; Local 51 COPE; the Local 51

JATC; the Local 51 Pension Fund; the LMCT; and NEMCA (collectively the "New England Entities") by means of materially false and fraudulent pretenses, representations and promises.

Manner and Means

18. It was part of the scheme and artifice to defraud that beginning in or about February 2004, Defendant KENNETH AURECCHIA on numerous occasions would travel to functions as an assigned representative of the United Association in his capacity as a district vice president, and that AURECCHIA's expenses would be reimbursed for those trips pursuant to the travel policies of the United Association.

19. It was further part of the scheme and artifice to defraud that prior to attending those functions, Defendant KENNETH AURECCHIA would obtain funds in the form of travel advances from one or more of the New England Entities to cover transportation, lodging, meals, and other expenses that he incurred in connection with his attendance at these functions, while knowing that his expenses would be reimbursed by the United Association.

20. It was further part of the scheme and artifice to defraud that prior to attending those functions, Defendant KENNETH AURECCHIA would obtain funds for his travel in the form of advances from one or more of the New England Entities to cover transportation, lodging, meals, and other expenses that he

incurred in connection with his attendance at those functions, without informing the New England Entities that his expenses were reimbursable under the policies of the United Association; and would be reimbursed by the United Association.

21. It was further part of the scheme and artifice to defraud that while attending many of these functions, Defendant KENNETH AURECCHIA used credit cards issued to him by the New England Entities for official use to pay for the travel, lodging, meals and other expenses that he incurred while on trips sponsored by the United Association, while knowing that his expenses would be reimbursed by the United Association.

22. It was further part of the scheme and artifice to defraud that while attending many of these functions, Defendant KENNETH AURECCHIA used credit cards issued to him by the New England Entities for official use to pay for the travel, lodging, meals and other expenses that he incurred while on trips sponsored by the United Association, without informing the New England Entities that his expenses were reimbursable under the policies of the United Association, and would be reimbursed by the United Association.

23. It was further part of the scheme and artifice to defraud that in connection with his attendance at these functions for which he received expense funds from one or more of the New

England Entities, Defendant KENNETH AURECCHIA would submit expense reimbursement requests to the United Association via facsimile transmission without informing the United Association that some or all of his expenses for travel sponsored by the United Association had been covered by the New England Entities.

24. It was further part of the scheme and artifice to defraud that in connection with his attendance at these functions for which he received expense funds from one or more of the New England Entities, Defendant KENNETH AURECCHIA would fail to submit receipts or vouchers to the New England Entities, or otherwise make an accounting to the New England Entities required under their respective policies.

25. It was further part of the scheme and artifice to defraud that Defendant KENNETH AURECCHIA would receive duplicative reimbursements for transportation, lodging, meals, and other expenses from the United Association and from one or more of the New England Entities without disclosing those duplicative reimbursements to the United Association or the respective New England Entities.

26. It was further part of the scheme and artifice to defraud that Defendant KENNETH AURECCHIA would keep the duplicative travel reimbursements that he received from the United Association and from one or more of the New England

Entities for his personal use.

27. As a result of the scheme and artifice to defraud, Defendant KENNETH AURECCHIA obtained money by means of materially false and fraudulent pretenses, representations and promises from the following entities in the following amounts:

- i. Local 51 in the amount of \$32,013;
- ii. the Local 51 JATC in the amount of \$6,377;
- iii. the LMCT in the amount of \$33,891;
- iv. Local 51 Pension Fund in the amount of \$3,000;
- v. Local 51 COPE in the amount of \$6,126;
- vi. New England States Pipe Trades Association in the amount of \$15,107; and
- vii. NEMCA in the amount of \$11,000.

Execution of the Scheme

28. On or about October 29, 2007, in the District of Rhode Island and elsewhere, for the purpose of executing the aforementioned scheme and artifice, and attempting to do so, Defendant KENNETH AURECCHIA did knowingly cause to be transmitted in interstate and foreign commerce, writings, signs, signals, and sounds, that is, by facsimile transmission (fax), a document entitled "Payment Form for Member's Wages and Expenses" for the MSCA Annual Educational Conference in Colorado Springs, Colorado in October 2007 from Defendant KENNETH

AURECCHIA in Rhode Island to the United Association in Annapolis, Maryland.

All in violation of 18 U.S.C. § 1343.

COUNT TWO

(26 U.S.C. §7206(1))

(Making and Subscribing a False Return)

29. On or about October 9, 2008, in the District of Rhode Island, Defendant KENNETH AURECCHIA, a resident of Johnston, Rhode Island, did willfully make and subscribe a false and fraudulent U.S. Individual Income Tax Return, Form 1040, for the calendar year 2007, which was verified by a written declaration that it was made under the penalties of perjury and which he did not believe to be true and correct as to every material matter. That U.S. Individual Income Tax Return, which was prepared and signed in the District of Rhode Island and was filed with the Internal Revenue Service, stated that his taxable income was \$246,447.00 and the amount of tax due and owing thereon was \$71,527.00. As he then and there knew, he had a taxable income of \$266,975.00 for the calendar year upon which the amount of income tax due and owing to the United States was \$78,382.00. This will result in additional tax due and owing of \$6,855.00.

All in violation of Title 26, United States Code, Section
7206(1).

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